



Earned Income Tax Credit (EIC/EITC) / Federal Earned Income Tax Credit / Connecticut Earned Income Tax Credit

Categories : Uncategorized

The following is primarily summarized from information about the Earned Income Tax Credit posted on the Internal Revenue Service (IRS)

website: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit>

WHAT IS THE EARNED INCOME TAX CREDIT?

The Earned Income Tax Credit (EITC), or Earned Income Credit (EIC), is a tax benefit for working people with low or moderate incomes. The EITC/EIC is designed to reduce the tax burden on eligible income workers and to supplement their wages. Workers who qualify for the EIC and file a federal tax return can have some or all of the federal income tax that was taken out of their pay during the year refunded to them. Workers whose earnings are too small to have paid taxes can also obtain an EITC/EIC. The EITC/EIC also reduces any additional taxes eligible workers may owe.

WHO IS ELIGIBLE FOR THE EARNED INCOME CREDIT?

Single or married people who worked full time or part time at some point during the year can qualify for the EITC/EIC under the following guidelines:

- Families with one child who earn less than \$41,756 in 2020 (or less than \$47,646 for married workers filing jointly) can get up to \$3,584 – plus \$824 from CT-EITC.
- Families with two children who earn less than \$47,440 in 2020 (or less than \$53,330 for married workers filing jointly) can get up to \$5,920 – plus \$1,362 from CT-EITC.
- Families with three or more children who earn less than \$50,594 in 2020 (or less than \$56,844 for married workers filing jointly) can get up to \$6,660 – plus \$1,532 from CT-EITC.
- Workers without a qualifying child who earn less than \$15,820 in 2020 (or less than \$21,710 for married workers filing jointly) can get up to \$538 – plus \$124 from CT-EITC.

Note: These calculations are for 2021 IRS Tax Schedule filing for 2020 Tax Year, <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/eitc-income-limits-maximum-credit-amounts-next-year>

Many legal immigrants can also qualify for the EITC/EIC, as long as they meet the eligibility requirements. In most cases, the EITC/EIC does not affect eligibility for other benefits received by the worker such as cash assistance (“welfare”), Medicaid, SNAP/Food Stamps, SSI, or public or subsidized housing. However, undocumented workers cannot claim an EITC/EIC.

HOW TO OBTAIN AN EARNED INCOME CREDIT

Workers who raised children must file Form 1040 and must fill out and attach Schedule EIC. Married workers must file a joint return to get the EITC/EIC. These workers write “EIC” (or the dollar amount of their credit) on the Earned Income Credit line on the tax form. They do not need to file Schedule EIC. Schedule EIC forms can be obtained by mail or downloaded from the website of the IRS: <http://www.irs.gov/> Forms can also be obtained at libraries, post offices and local IRS offices.

NOTE: Beginning in 2017, a new law approved by Congress requires the IRS to hold refunds on tax returns claiming the Earned Income Tax Credit or the Additional Child Tax Credit until mid-February. so fraud and scam tax filings can be verified and eliminated.



Check “Where’s My Refund” for refund information

The IRS expects the earliest EITC related refunds to be available in taxpayer bank accounts or on debit cards until mid-February to taxpayers who claim the Earned Income Tax Credit.

WHAT IS THE CONNECTICUT EARNED INCOME TAX CREDIT?

Connecticut’s Earned Income Tax Credit (CT EITC), adopted in 2011, is a way to help working individuals and families during these difficult economic times. To qualify for the state credit, Connecticut residents need to be working, earning, and eligible for the federal earned income tax.

Connecticut Department of Revenue Service has a link on their website at, <https://portal.ct.gov/DRS/CT—EITC/CT-EITC-Information/What-is-the-CT-EITC>, which will give you information on the program.

WHO IS ELIGIBLE?

In order to qualify for the Connecticut State Earned Income Tax Credit, filers must meet the criteria outlined above for the Federal EITC program and would then calculate 23% of the federal benefit for the Connecticut EITC benefit amount, see below.

- 3 children or more – \$6,660 (Federal EITC), \$1,532 (23% CT EITC benefit amount)
- 2 children – \$5,920 (Federal EITC), \$1,362 (23% CT EITC benefit amount)
- 1 child – \$3,584 (Federal EITC), \$824 (23% CT EITC benefit amount)
- No children – \$538 (Federal EITC), \$124 (23% CT EITC benefit amount)

Note: Figures are for 2021 Tax Schedule for 2020 Tax Year.

FORMS TO BRING TO A TAX ASSISTANCE SITE

When visiting a TCE (Tax Counseling for the Elderly) or VITA (Volunteer Income Tax Assistance) site, bring the following:

- All W-2 forms for household
- 1099 Forms (if any)
- Social Security Card(s) or Individual Taxpayer ID Number(s) for all household members
- Last Year’s Tax Return
- Child care provider name, address and tax ID number
- Education expenses and student loan information
- For direct deposit, a check or savings account number with routing number
- Copies of payments to municipalities (local property taxes such as automobiles) for state tax returns
- Any other tax-related documents you have received

TO FIND PROVIDERS IN CONNECTICUT’S COMMUNITY RESOURCES DATABASE:

Search by service name: [EITC](#)

SOURCES: 2-1-1 database; Internal Revenue Service website

INTERNET PAGE PREPARED BY: 211/nl

CONTENT LAST REVIEWED: December2020

